

FIRST ANNUAL REPORT

OF THE

DIRECTORS OF THE

Boston Elevated Railway
Company

1898

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Boston Elevated Railway Co.

FOR THE YEAR ENDING SEPTEMBER 30, 1898

BOSTON

GEO. H. ELLIS, PRINTER, 141 FRANKLIN STREET

1898

DIRECTORS AND OFFICERS.

JANUARY 3, 1898 TO JANUARY 2, 1899.

Directors.

(Elected January 3, 1898.)


FREDERIC AYER.	WILLIAM A. GASTON.
WILLIAM A. BANCROFT.	CHARLES J. PAINE.
SAMUEL CARR.	FRANCIS H. PEABODY.
T. JEFFERSON COOLIDGE, JR.	JAMES M. PRENDERGAST.
WILLIAM ENDICOTT, JR.	JACOB C. ROGERS.
ROBERT WINSOR.	

Executive Committee.

WILLIAM A. BANCROFT.	WILLIAM A. GASTON.
T. JEFFERSON COOLIDGE, Jr.	JAMES M. PRENDERGAST.
(Resigned from Committee Feb. 28, 1898.)	
ROBERT WINSOR.	

Officers.

WILLIAM A. GASTON	<i>President.</i>
WILLIAM A. BANCROFT	<i>Vice-President.</i>
C. S. SERGEANT	<i>2d Vice-President.</i>
WILLIAM HOOPER	<i>Treasurer.</i>
JOHN T. BURNETT	<i>Secretary.</i>
J. H. GOODSPEED	<i>Comptroller.</i>
H. L. WILSON	<i>Auditor.</i>
GEO. A. KIMBALL	<i>Chief Engineer Elevated Lines.</i>



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BOSTON, December 19, 1898.

TO THE STOCKHOLDERS OF THE BOSTON ELEVATED RAIL-
WAY COMPANY :

Gentlemen,— This company was chartered by special act of the legislature of Massachusetts in 1894. The organization of the company followed immediately thereafter. In 1897 amendments to the charter were granted by the legislature, which imposed at the same time, under chapter 500 of the Acts of 1897, a special compensation tax upon the company for the privileges granted to it. This act was accepted by the company, and this compensation tax agreed to.

On December 9, 1897, a lease was entered into with the West End Street Railway Company, by which the property of that company was leased to our company for the term of twenty-four years eight months and nine days from October 1, 1897. It was provided by law, however, that this lease was not to be valid until the provisions thereof, so far as they related to the rental or compensation to be paid and the due and safe transportation of the public, were approved by the Board of Railroad Commissioners. The lease was approved by that Board on December 15, 1897. The lease, however, contained a provision that, if approved, it should take effect as of October 1, 1897, provided five million dollars in cash were paid in on our capital stock before January 15, 1898. That payment was made on December 20, 1897; and our company took possession of the property of the West End Street Railway Company on December 30, 1897, and has since that time been in active operation of it. As the business of the leased road has been done at our risk and for our benefit since October 1, 1897, although for the first three months was carried on by our lessor, this our first annual written report to the stockholders will cover the fiscal year from October 1, 1897, to September 30, 1898.

A summary of our business for the year is as follows : —

Gross earnings from operation		\$9,179,096.35
Operating expenses		6,566,584.16
Net earnings from operation of leased lines		<u>\$2,612,512.19</u>
Subway rental	\$106,134.35	
Interest on funded debt of West End St. Ry. Co.	498,600.00	
Dividend on preferred stock of West End St. Ry. Co., 8%	512,000.00	
Dividend on common stock of West End St. Ry. Co., 7%	635,950.00	
Dividend on stock of Somerville Horse R. Co., 6%	9,180.00	
Taxes on West End St. Ry. Co.	<u>435,860.44</u>	
Total payments under lease of West End St. Ry. Co.		<u>2,197,724.79</u>
		\$414,787.40
Add interest on special deposits		<u>78,156.59</u>
		\$492,943.99
Taxes, Boston Elevated Railway Co.	\$86,049.74	
Compensation tax under agreement with Commonwealth, Act of 1897	<u>80,317.09</u>	<u>166,366.83</u>
Balance		<u>\$326,577.16</u>
Interest paid to holders of Boston Elevated Railway Co., re- ceipts, Aug. 15, 1898, 2¼% on amount actually paid in,		<u>112,500.00</u>
Surplus for the year		<u><u>\$214,077.16</u></u>

Compared with the business done by our lessors in the year October 1, 1896, to September 30, 1897, the business done by us the past year on our leased roads shows a satisfactory and substantial increase, and this in spite of unfavorable weather and disappointing financial conditions. We have maintained the leased property fully up to the solid and excellent condition in which we took it. We have, with a view of increasing our business and of meeting and satisfying reasonable public demand, built new track, established new lines, and enlarged the general equipment to the extent necessary to accomplish that result. The cost of these improvements and additions are charged to the West End Street Railway Company under the

provisions of the lease referred to. Among some of the more important track work finished or in process of completion, we mention the new line from Waverley to Mount Auburn, the extension of the track on Blue Hill Avenue to Walk Hill Street, and the double tracking of Main and Salem Streets, Medford, from the Somerville line to the Malden line. 13.21 miles of old tram or T-rail track have been relaid with the best nine-inch girder rail. 128 open and 140 box cars have been purchased, with all their necessary adjuncts and electrical equipment, 57 cars taking the place of 57 cars burned in the fire that occurred December 24, 1897, in which the Everett car-house was completely destroyed, the loss, however, being covered by insurance. 13 additional snow-ploughs have been bought, five having been destroyed by fire. We have purchased on Dorchester Avenue, Dorchester, a lot of land, and built a large, fine, commodious car-house, with opportunity for the storage of sixty cars. We have built at Everett another new car-house, of a capacity of sixty cars, to take the place of the one destroyed by fire. Total number of miles of new track that we have laid and equipped with all necessary electrical apparatus, including new track in subway, has been 16.44.

In connection with the business of our leased line, a few words of interest may perhaps be said concerning one of the largest and most important public works that has been recently experimented. We refer to the Boston subway. Up to September 3, 1898, the portion of the subway south of Park Street was operated by this company, although previous thereto, while the public work was still uncompleted, we had equipped the remainder of the subway with the very best road-bed, track, and electrical apparatus known. On September 3, 1898, the completed subway was open to the public, and since that date has been operated by us under the contract made and entered into by the city of Boston and the West End Street Railway Company, which contract has been assumed by our company. Up to the end of the fiscal year which this report covers, and since that time, we have been endeavoring to make the subway a success and a pleasure to the public, and endeavoring to make

the largest and most advantageous use of that leased property. In our endeavors, we have had the assistance of the Transit Commissioners, who have made many valuable suggestions as to the operation of the subway and as to the conduct of our business therein. Whether any means can be devised which will increase the present carrying capacity of the subway is a problem upon which our operating department has given, and is giving, the best thought in its power; and we feel confident that, if any solution to that problem is possible, it will be made.

While our fiscal year ended on the thirtieth day of September, it may be of interest to learn of the use of the subway for the month of October, 1898, as at the end of our fiscal year the largest use of the subway had not taken place.

Average daily number of cars running through subway in	
October, 1898, was	3.518
Total number of subway checks sold October, 1898:—	
At Boylston Street	138,523
At Mason Street	171,726
At Park Street	818,708
At Scollay Square	485,941
At Brattle Square	136,032
At Adams Square	85,698
At Haymarket Square	161,851
	1,998,479
Average number of subway checks sold per day in whole subway	
in October	64,467
Free transfers in October, 1898, in subway	749,687
Average number of free subway transfers given per day in	
October	24,183
Total free transfers issued in October, 1898	3,622,279
Average number of free transfers given per day in October . .	116,847

VOLUME OF BUSINESS FOR YEAR.

Total revenue passengers carried during year	181,321,295
Increase over business of lessor's previous year	8,766,782
Or an increase of about $5\frac{1}{10}\%$.	
Total free transfer passengers carried during year	28,239,880
An increase over business of lessor's previous year of	4,462,154
Or an increase of about $18\frac{8}{10}\%$.	

The present free transfer facilities now in effect point to an enormous increase of free transfer passengers in the present fiscal year.

WORK ON THE ELEVATED STRUCTURE.

Under the provisions of law, no work could be begun on our elevated structure until the plans thereof had been approved by the Mayor of Boston as to architectural appearance and obstruction to light and air, and by the Railroad Commissioners as to strength and safety of the structure, as to the convenience and comfort of the public, and as to certain other particulars. The plans were approved by his Honor the Mayor on April 29, 1898. The plans were approved by the Railroad Commissioners, after several long public hearings, on July 11, 1898. Since that time we have been busily engaged with a large force of men, making the surveys and examinations of the streets and adjacent properties necessary to make contracts and specifications for the erection of our elevated structure. In anticipation of a favorable decision on the plans, some necessary work was done on the new Charlestown bridge prior to July, 1898, in connection with the building of that bridge by the Transit Commission, so that we were able on September 27, 1898, to make a contract with the Carnegie Steel Company, Limited, to erect the section of our structure upon that bridge, completion of the work to be prior to January 1, 1899.

Within a short time we expect to have under contract a large proportion of the structure upon the route upon which we have been authorized to build by the Boston city government. Foundations to receive our structure will be begun at the opening of the spring of 1899. Much of our structure will be completed by the following fall. The plans for the terminal stations at Roxbury and Charlestown have been completed, and a large part of the land required for the same has been taken by eminent domain or purchased.

In conclusion, we have to say that the past fiscal year has been a prosperous one, and one in which much work has been

accomplished in your interest. In another year we believe we will be able to report great progress in our construction operations.

We append a full statement of the condition of the property and of its operation, submitted by H. L. Wilson, our Auditor.

Respectfully submitted,

WILLIAM A. GASTON, *President.*

For the Board of Directors.

AUDITOR'S REPORT.

BOSTON, December 20, 1898.

TO THE PRESIDENT AND DIRECTORS OF THE BOSTON ELEVATED RAILWAY COMPANY :

Gentlemen,—I herewith submit the following statements of the business of the company for the fiscal year ending September 30, 1898.

- A. GENERAL BALANCE SHEET.
- B. INCOME ACCOUNT.
- C. TRAFFIC STATISTICS.
- D. MILEAGE OF TRACK AND ELECTRIC LINE EQUIPMENT.
- E. EQUIPMENT SEPTEMBER 30, 1898.

Yours respectfully,

H. L. WILSON,

Auditor.

A.**GENERAL BALANCE SHEET****ASSETS.**

Cash on hand and in bank	\$5,532,445.46
Bills and accounts receivable	107,129.82
Stocks and bonds	205,444.87
Construction	107,631.30
Bonds deposited with Commonwealth of Massachusetts	300,000.00
Materials and supplies	233,948.54
Somerville Horse R.R. Co.	102,851.11
West End St. Ry. Co. Open account	423,730.14
West End St. Ry. Co. Property account	1,385,466.57
West End St. Ry. Co. Bond account	20,000.00

TOTAL ASSETS \$8,418,647.81

A.

SEPTEMBER 30, 1898.

LIABILITIES.

Common stock (amount paid in on account of \$10,000,000)	\$5,000,000.00
Audited vouchers and accounts	253,232.24
Salaries and wages	98,273.24
Dividends West End St. Ry. Co. not called for . . .	9,628.42
Matured interest coupons unpaid	32,607.50
Rentals unpaid	317,975.00
Bond redemption deposit uncalled for	1,000.00
Outstanding tickets and checks	18,530.03
Interest accrued and not yet due	128,041.68
Taxes accrued and not yet due	553,937.59
Rentals accrued and not yet due	131,825.00
West End St. Ry. Co. Lease account	1,362,023.17
Damage fund	297,496.78
Surplus	214,077.16

TOTAL LIABILITIES \$8,418,647.81

B.

INCOME ACCOUNT FOR THE YEAR

DEBIT.

OPERATING EXPENSES	\$6,566,584.16
For general expenses	\$790,323.28
" maintenance of roadway and buildings	1,150,728.15
" maintenance of equipment	624,542.61
" transportation expenses	<u>4,000,990.12</u>
TAXES	602,227.27
West End St. Ry. Co.'s tax on capi- tal stock and property	\$435,860.44
Boston Elevated Ry. Co.'s tax on capital stock	86,049.74
Boston Elevated Ry. Co.'s compensa- tion tax on gross income	<u>80,317.09</u>
Coupon interest on West End St. Ry. Co.'s bonds	498,600.00
Rentals of leased railways	1,157,130.00
Rental of subway	106,134.35
Interest paid on amount of capital stock paid in	112,500.00
Balance carried to surplus account	214,077.16
<hr/>	
TOTAL	<u><u>\$9,257,252.94</u></u>

B.

ENDING SEPTEMBER 30, 1898.

CREDIT.

Earnings from operations	\$9,179,096.35
From passengers carried	\$8,967,587.56
" carriage of mails	20,097.31
" tolls for use of tracks by other companies	32,950.35
" rentals of real estate	63,585.87
" advertising in cars	61,150.00
" interest on deposits, etc.	19,946.62
" miscellaneous income	<u>13,778.64</u>
Interest from special deposits	78,156.59

TOTAL \$9,257,252.94

C.

TRAFFIC STATISTICS.

ROUND TRIPS.

Run by Electric Passenger cars	3,088,473
Run by Horse Passenger cars	52,588
Run by U.S. Mail cars	15,363
TOTAL	3,156,424

REVENUE MILES.

Run by Electric Passenger cars	31,933,624
Run by Horse Passenger cars	275,526
Run by Electric U.S. Mail cars	170,295
TOTAL	32,379,445

PASSENGERS CARRIED.

Revenue Passengers on Electric cars	180,178,908
Revenue Passengers on Horse cars	1,142,387
TOTAL REVENUE PASSENGERS	181,321,295
Free Transfer Passengers on Electric cars	28,239,880
TOTAL	209,561,175

RECEIPTS.

From Revenue Passengers on Electric cars	\$8,911,080.94
From Revenue Passengers on Horse cars	56,506.62
TOTAL PASSENGER RECEIPTS	\$8,967,587.56
From U.S. Mail cars	20,097.31
TOTAL RECEIPTS FROM CAR OPERATION	\$8,987,684.87
Average Receipts per revenue passenger	4.945 cents
Average Receipts per total passenger	4.279 cents

D.

MILEAGE OF LEASED TRACK AND ELECTRIC
LINE EQUIPMENT.

TRACK.

Changes during the year have been as follows:—

Total track owned by the West End St. Ry.

Co., September 30, 1897 289.816 miles.

Additions for extensions during the year . . . 16.443 “

TOTAL 306.259 “

Reduction for track taken up during the year . . 1.014 “

NET LENGTH OF TRACK OWNED BY THE WEST

END ST. RY. CO., September 30, 1898 . . 305.245 “

Operated under leases to the West End St. Ry.

Co. 8.703 “

Operated under trackage privileges 2.102 “

TOTAL TRACK SEPTEMBER 30, 1898 . . . 316.050 “

Which is made up as follows:—

Length of main line 158.992 miles.

“ of second track . . . 121.167 “

“ of sidings, car-house

curves, cross-overs, etc. . . . 6.954 “

Length of track in car-houses and

yards 28.937 “

TOTAL 316.050 “

The total length of track in reservations is . . . 17.39 “

The total length of track built with heavy girder

rail is 243.37 “

The total length of track built in the subway is . . 5.473 “

ELECTRIC LINE EQUIPMENT.

Miles of track completely equipped with electric

overhead system 306.024

Miles of track partially equipped (underground wiring only), 2.333

Miles of overhead electric feeder lines 456.424

Miles of underground conduit 10.593

Miles of underground conduit duct 132.735

Miles of underground electric feeder lines 63.258

Miles of underground electric return lines 67.951

Miles of submarine cables 2.802

E.**EQUIPMENT.**

SEPTEMBER 30, 1898.

Box Cars, Horse	203
Open Cars, Horse	71
Box Cars, Electric, 16-foot bodies	60
Box Cars, Electric, 20-foot bodies	330
Box Cars, Electric, 25-foot bodies	884
Open Cars, Electric, 7 or 8 benches	568
Open Cars, Electric, 9 benches	677
Open Cars, Electric, 10 benches	47
Mail Cars, Electric	11
Motor Cars, Electric	2
Horses	437
Electric Motors	3,370
Snow Ploughs, Horse	78
Snow Ploughs, Electric	158
Snow Sleds	419
Miscellaneous Vehicles	501

